



## Senate

General Assembly

**File No. 723**

*January Session, 2007*

Substitute Senate Bill No. 1215

*Senate, May 3, 2007*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### ***AN ACT IMPLEMENTING A PROCESS OF STATE-WIDE RESPONSIBLE GROWTH.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1       Section 1. (NEW) (*Effective October 1, 2007*) (a) There is established a  
2       process for adoption, amendment, revision and implementation of a  
3       state economic development plan. The Commissioner of Economic and  
4       Community Development shall prepare the plan, in consultation with  
5       the Secretary of the Office of Policy and Management, the Labor  
6       Commissioner, the Connecticut Development Authority, Connecticut  
7       Innovations, Incorporated, and regional councils of government and  
8       regional planning agencies.
- 9       (b) In developing the plan, the Commissioner of Economic and  
10      Community Development shall:
- 11      (1) Evaluate economic development in the state, and shall include a  
12      review of population, geography, workforce development and

13 employment, transportation access and resources, environment and  
14 any other aspects of the economy of the state the commissioner deems  
15 appropriate;

16 (2) Analyze economic and community development problems and  
17 opportunities in the state and include in such analysis (A) a review of  
18 other government sponsored or supported plans and applicable state  
19 and local workforce investment strategies, and (B) identification of  
20 past, present and projected future economic development investments  
21 in the state;

22 (3) Define economic development problems of the state and  
23 establish goals and objectives to solve such problems;

24 (4) Provide for community and private sector participation in  
25 implementation of the plan;

26 (5) List all existing and proposed state projects and estimate the  
27 numbers of jobs created because of such projects;

28 (6) Identify and prioritize vital projects, programs and activities that  
29 address the state's greatest needs or that best enhance the state's  
30 competitiveness and identify sources of funding for past and potential  
31 future investments;

32 (7) Identify economic clusters that are growing or declining within  
33 the state;

34 (8) Propose a plan of action to implement the following goals: (A)  
35 The promotion of economic development and opportunity, (B) the  
36 fostering of effective transportation access, (C) enhancement and  
37 protection of the environment, (D) maximization of the effective  
38 development and use of the workforce consistent with applicable state  
39 or local workforce investment strategy, (E) promotion of the use of  
40 technology in economic development, including access to high-speed  
41 telecommunications, (F) the balance of resources through sound  
42 management of physical development, and (G) attainment and  
43 utilization of adequate funds and other resources; and

44 (9) List performance measures to evaluate successful development  
45 and implementation of the plan, including, but not limited to: (A) The  
46 number of jobs created after implementation of the plan, (B) the  
47 number and types of public and private investments undertaken in the  
48 state, (C) the number of jobs retained, (D) the amount of private sector  
49 investment in the state after implementation of the plan, and (E)  
50 changes in the economic environment of the region.

51 Sec. 2. (NEW) (*Effective October 1, 2007*) (a) The Commissioner of  
52 Economic and Community Development shall supervise the process  
53 for adopting, amending, revising and implementing the economic  
54 development plan. The commissioner shall present a draft of the plan  
55 for preliminary review to the joint standing committees of the General  
56 Assembly having cognizance of matters relating to planning and  
57 development, commerce, finance, revenue and bonding and  
58 appropriations and the budgets of state agencies not later than March  
59 15, 2008, and every five years thereafter.

60 (b) The commissioner shall publish the draft of the plan and  
61 disseminate it to the public. The Secretary of the Office of Policy and  
62 Management shall post the plan on the Internet web site of the state.

63 (c) The commissioner shall submit a copy of the draft economic  
64 development plan to the Office of Policy and Management for a  
65 determination of consistency with the state plan of conservation and  
66 development and to the Commissioner of Transportation for a  
67 determination of consistency with the state master transportation plan.

68 (d) Not later than five months after publication of said plan, the  
69 commissioner shall hold public hearings, in cooperation with regional  
70 planning agencies, to solicit comments on said plan.

71 (e) The commissioner shall consider the comments received at the  
72 public hearings and shall make any necessary or desirable revisions to  
73 said plan. Not more than three months after completion of the public  
74 hearings, the commissioner shall submit the final plan to the General  
75 Assembly. The plan shall become effective upon adoption by the

76 General Assembly as the economic development plan of the state. In  
77 the event that the General Assembly disapproves the plan in whole or  
78 in part, the plan shall be deemed to be rejected and shall be returned to  
79 the commissioner for appropriate action.

80 Sec. 3. Section 16a-31 of the general statutes is repealed and the  
81 following is substituted in lieu thereof (*Effective July 1, 2007*):

82 (a) The following actions when undertaken by any state agency,  
83 with state or federal funds, shall be consistent with the plan:

84 (1) The acquisition of real property when the acquisition costs are in  
85 excess of one hundred thousand dollars;

86 (2) The development or improvement of real property when the  
87 development costs are in excess of one hundred thousand dollars;

88 (3) The acquisition of [public transportation] equipment or facilities  
89 when the acquisition costs are in excess of one hundred thousand  
90 dollars; and

91 (4) The authorization of each state grant or loan or the allocation of  
92 any tax credit, any application for which is not pending on July 1, 1991,  
93 for an amount in excess of one hundred thousand dollars. [, for the  
94 acquisition or development or improvement of real property or for the  
95 acquisition of public transportation equipment or facilities.]

96 (b) A state agency shall request, and the secretary shall provide, [an  
97 advisory] a statement commenting on the extent to which any of the  
98 actions specified in subsection (a) of this section conforms to the plan  
99 and any agency may request and the secretary shall provide such other  
100 advisory reports as the state agency deems advisable. A state agency  
101 shall not implement an action unless the Secretary of the Office of  
102 Policy and Management determines that such action conforms with  
103 the plan.

104 (c) The secretary shall submit and the State Bond Commission shall  
105 consider prior to the allocation of any bond funds for any of the actions

106 specified in subsection (a) [an advisory] a statement commenting on  
107 the extent to which such action is in conformity with the plan of  
108 conservation and development. The commission shall not approve an  
109 allocation of bond funds unless the secretary determines that the  
110 allocation conforms with the plan.

111 (d) Notwithstanding subsection (b) of this section, The University of  
112 Connecticut shall request, and the secretary shall provide, an advisory  
113 statement commenting on the extent the projects included in the third  
114 phase of UConn 2000, as defined in subdivision (25) of section 10a-  
115 109c, conform to the plan and the university may request and the  
116 secretary shall provide such other advisory reports as the university  
117 deems advisable. Notwithstanding subsection (c) of this section, the  
118 secretary shall submit and the State Bond Commission shall consider  
119 prior to the approval of the master resolution or indenture for  
120 securities for the third phase of UConn 2000, pursuant to subsection (c)  
121 of section 10a-109g, the advisory statement prepared under this  
122 subsection.

123 (e) Whenever a state agency is required by state or federal law to  
124 prepare a plan, it shall consider the state plan of conservation and  
125 development in the preparation of such plan. A draft of such plan shall  
126 be submitted to the secretary who shall provide for the preparer of the  
127 plan an advisory report commenting on the extent to which the  
128 proposed plan conforms to the state plan of conservation and  
129 development. The state agency shall not implement the plan unless the  
130 secretary determines that such plan conforms to the state plan of  
131 conservation and development.

132 Sec. 4. Section 4-124d of the general statutes is repealed and the  
133 following is substituted in lieu thereof (*Effective July 1, 2007*):

134 The council shall consider such matters of a public nature common  
135 to two or more members of the council as it deems appropriate,  
136 including matters affecting the air, land, water supply, health, safety,  
137 welfare, education and economic conditions of the area comprised by  
138 its members. The council shall promote cooperative arrangements and

139 coordinate action among its members and make recommendations  
140 therefor to the members and such other public agencies as exist or  
141 perform functions within the region or regions.

142 Sec. 5. (NEW) (*Effective July 1, 2007*) (a) Each regional council of  
143 governments, organized under the provisions of section 4-124i to 4-  
144 124p, inclusive, of the general statutes may establish a process for  
145 review of projects of regional significance. Such process shall establish  
146 criteria and procedures for approving or rejecting such projects and for  
147 their review. As used in this section, a project of regional significance  
148 means a project subject to review by the State Traffic Commission  
149 pursuant to section 14-311 of the general statutes.

150 (b) On or after the establishment of the process provided for in  
151 subsection (a) of this section, no project of regional significance may be  
152 implemented unless it is approved by the regional council of  
153 government for the area in which the project is located.

154 Sec. 6. Section 8-35a of the general statutes is repealed and the  
155 following is substituted in lieu thereof (*Effective July 1, 2007*):

156 (a) At least once every ten years, each regional planning agency  
157 shall make a plan of development for its area of operation, showing its  
158 recommendations for the general use of the area including land use,  
159 housing, principal highways and freeways, bridges, airports, parks,  
160 playgrounds, recreational areas, schools, public institutions, public  
161 utilities, agriculture and such other matters as, in the opinion of the  
162 agency, will be beneficial to the area. Any regional plan so developed  
163 shall be based on studies of physical, social, economic and  
164 governmental conditions and trends and shall be designed to promote  
165 with the greatest efficiency and economy the coordinated development  
166 of its area of operation and the general welfare and prosperity of its  
167 people. Such plan may encourage energy-efficient patterns of  
168 development, the use of solar and other renewable forms of energy,  
169 and energy conservation. Such plan shall be designed to promote  
170 abatement of the pollution of the waters and air of the region. The plan  
171 shall include provisions for disaster response and regional purchase of

172 interoperable equipment and communication devices for first  
173 responders. The regional plan shall identify areas where it is feasible  
174 and prudent (1) to have compact, transit accessible, pedestrian-  
175 oriented mixed use development patterns and land reuse, and (2) to  
176 promote such development patterns and land reuse and shall note any  
177 inconsistencies with the following growth management principles: (A)  
178 Redevelopment and revitalization of regional centers and areas of  
179 mixed land uses with existing or planned physical infrastructure; (B)  
180 expansion of housing opportunities and design choices to  
181 accommodate a variety of household types and needs; (C)  
182 concentration of development around transportation nodes and along  
183 major transportation corridors to support the viability of  
184 transportation options and land reuse; (D) conservation and  
185 restoration of the natural environment, cultural and historical  
186 resources and traditional rural lands; (E) protection of environmental  
187 assets critical to public health and safety; and (F) integration of  
188 planning across all levels of government to address issues on a local,  
189 regional and state-wide basis. The plan shall identify measurable  
190 economies of scale for government functions, including, but not  
191 limited to, health districts, planning assistance and interoperable  
192 geographic information system mapping of the region, compatible  
193 with the state geographic information system. The plan of each region  
194 contiguous to Long Island Sound shall be designed to reduce hypoxia,  
195 pathogens, toxic contaminants and floatable debris in Long Island  
196 Sound.

197 (b) The regional planning agency shall prepare and include in the  
198 plan a comprehensive economic development strategy. In developing  
199 the strategy the agency shall:

200 (1) Evaluate economic development in the region, and shall include  
201 a review of population, geography, workforce development and  
202 employment, transportation access and resources, environment and  
203 any other aspects of the region's economy the commissioner deems  
204 appropriate;

205     (2) Analyze economic and community development problems and  
206     opportunities in the state, and include in such analysis (A) a review of  
207     other government sponsored or supported plans and applicable state  
208     and local workforce investment strategies, and (B) identification of  
209     past, present and projected future economic development investments  
210     in the region;

211     (3) Define economic development problems of the region and  
212     establish goals and objectives to solve the economic development of  
213     such problems;

214     (4) Provide for community and private sector participation in  
215     implementation of the plan;

216     (5) List all projects and estimated numbers of jobs to be created from  
217     such projects;

218     (6) Identify and prioritize vital projects, programs and activities that  
219     address the state's greatest needs or that best enhance the state's  
220     competitiveness and identify sources of funding for past and potential  
221     future investments;

222     (7) Identify economic clusters that are growing or declining within  
223     the region;

224     (8) Propose a plan of action to implement the following goals: (A)  
225     The promotion of economic development and opportunity, (B) the  
226     fostering of effective transportation access, (C) enhancement and  
227     protection of the environment, (D) maximization of the effective  
228     development and use of the workforce consistent with applicable state  
229     or local workforce investment strategy, (E) promotion of the use of  
230     technology in economic development, including access to high-speed  
231     telecommunications, (F) the balance of resources through sound  
232     management of physical development, and (G) attainment and  
233     utilization of adequate funds and other resources;

234     (9) List performance measures to evaluate successful development  
235     and implementation of the plan, including, but not limited to, (A) the



236 number of jobs created after implementation of the plan, (B) the  
237 number and types of public and private investments undertaken in the  
238 region, (C) the number of jobs retained, (D) the amount of private  
239 sector investment in the region after implementation of the plan, and  
240 (E) changes in the economic environment of the region; and

241 (10) Outline the methodology for integrating the plan with regional  
242 economic priorities.

243 [(b)] (c) Before adopting the regional plan of development or any  
244 part thereof or amendment thereto the agency shall hold at least one  
245 public hearing thereon, notice of the time, place and subject of which  
246 shall be given in writing to the chief executive officer and planning  
247 commission, where one exists, of each member town, city or borough.  
248 Notice of the time, place and subject of such hearing shall be published  
249 once in a newspaper having a substantial circulation in the region. At  
250 least sixty-five days before the public hearing the regional planning  
251 agency shall post the plan on the Internet web site of the agency, if  
252 any, and submit the plan to the Secretary of the Office of Policy and  
253 Management for findings in the form of comments and  
254 recommendations. Such findings shall include a review of the plan to  
255 determine if the proposed regional plan of development [is not  
256 inconsistent] conforms with the state plan of conservation and  
257 development and the state comprehensive economic development  
258 plan. Such notices shall be given not more than twenty days nor less  
259 than ten days before such hearing. [The regional planning agency shall  
260 note on the record any inconsistency with the state plan of  
261 conservation and development and the reasons for such  
262 inconsistency.] Adoption of the plan or part thereof or amendment  
263 thereto shall be made by the affirmative vote of not less than a majority  
264 of the representatives on the agency. The plan shall be posted on the  
265 Internet web site of the agency, if any, and a copy of the plan or of any  
266 amendments thereto, signed by the chairman of the agency, shall be  
267 transmitted to the chief executive officers, the town, city or borough  
268 clerks, as the case may be, and to planning commissions, if any, in  
269 member towns, cities or boroughs, and to the Secretary of the Office of

270 Policy and Management, or his designee. The regional planning  
271 agency shall notify the Secretary of the Office of Policy and  
272 Management of any inconsistency with the state plan of conservation  
273 and development and the reasons therefor.

274     ~~[(c)]~~ (d) The regional planning agency shall revise the plan of  
275 development not more than three years after July 1, 2005.

276     ~~[(d)]~~ (e) The regional planning agency shall assist municipalities  
277 within its region and state agencies and may assist other public and  
278 private agencies in developing and carrying out any regional plan or  
279 plans of such regional planning agency. The regional planning agency  
280 may provide administrative, management, technical or planning  
281 assistance to municipalities within its region and other public agencies  
282 under such terms as it may determine, provided, prior to entering into  
283 an agreement for assistance to any municipality or other public  
284 agency, the regional planning agency shall have adopted a policy  
285 governing such assistance. The regional planning agency may be  
286 compensated by the municipality or other public agency with which  
287 an agreement for assistance has been made for all or part of the cost of  
288 such assistance.

289     Sec. 7. (*Effective July 1, 2007*) (a) The Secretary of the Office of Policy  
290 and Management shall conduct a review of regional tax-based revenue  
291 sharing programs. Such review shall include, but need not be limited  
292 to, a study of any available models of such revenue sharing programs,  
293 the adaptations that may be needed in such programs for use in this  
294 state, the effect on property taxes and on a town's grand list, and other  
295 possible effects on both municipal and regional finances.

296     (b) Not later than January 15, 2008, said secretary shall submit a  
297 report, in accordance with the provisions of section 11-4a of the general  
298 statutes, to the joint standing committees of the General Assembly  
299 having cognizance of matters relating to planning and development,  
300 and finance, revenue and bonding, with the results of the review  
301 undertaken pursuant to subsection (a) of this section, and with  
302 recommendations relating to the institution of such programs in this

303 state.

304 Sec. 8. (NEW) (*Effective July 1, 2007*) As used in sections 9 to 14,  
305 inclusive, of this act:

306 (1) "Board" or "board of directors" means the governing body of a  
307 regional assets district established pursuant to section 10 of this act;

308 (2) "Regional assets district" or "district" means any district established  
309 pursuant to section 9 of this act;

310 (3) "Municipality" means a town, city or borough; and

311 (4) "Regional asset" means a civic, science, recreational, sports, arts,  
312 transportation or cultural facility or project or a library which is part of a  
313 multimunicipal system, but does not include schools or health care  
314 facilities.

315 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) Any regional council of  
316 governments organized under the provisions of sections 4-124i to 4-124p,  
317 inclusive, of the general statutes, whose member towns represent fifty  
318 per cent or more of the population in its planning region may, by  
319 concurrent ordinance of the legislative body of each municipality that is  
320 a member of such regional council of governments, as the case may be,  
321 establish a regional assets district. Any two or more regional councils of  
322 governments or councils of elected officials may jointly establish a  
323 regional assets district.

324 (b) Any municipality may withdraw from a district by adoption of an  
325 ordinance by its legislative body. Any such ordinance shall be effective  
326 six months after such adoption.

327 Sec. 10. (NEW) (*Effective July 1, 2007*) (a) Each regional assets district  
328 established pursuant to section 9 of this act shall be a body corporate and  
329 politic. Any such district shall be a political subdivision of the state  
330 established and created for the performance of an essential public and  
331 government function.

332 (b) Each district shall continue in existence perpetually regardless of  
333 any actions by a municipality except that the district may be terminated  
334 pursuant to an intergovernmental cooperation agreement between the  
335 municipalities which transfers without impairment all of the  
336 administrative, managerial or financial functions exercised with respect  
337 to regional assets by the district to a municipality within the district.

338 (c) The district shall be governed by a board of directors, the  
339 composition of which shall be part of the initial concurrent ordinance  
340 authorizing the formation of the district. The members shall elect from  
341 among themselves a chairperson, vice-chairperson, secretary, treasurer  
342 and such other officers as they may determine. A member may hold  
343 more than one office of the board at any time. Members may serve  
344 successive terms as officers of the board.

345 (d) The board shall meet as frequently as it deems appropriate but at  
346 least once during each quarter of the fiscal year. A meeting of the board  
347 shall be called by the chairperson upon request to the chairperson by at  
348 least two members of the board. A majority of the members of the board  
349 shall constitute a quorum for the purpose of conducting the business of  
350 the board and for all other purposes, except that for the purposes of  
351 making decisions regarding personnel matters, contracts and capital and  
352 operating budgets, and deciding whether to enter into cooperation and  
353 support agreements with regional assets, an affirmative vote of sixty per  
354 cent of the members of the board shall be required.

355 Sec. 11. (NEW) (*Effective July 1, 2007*) (a) Each regional assets district  
356 established pursuant to section 9 of this act, shall have the following  
357 powers and duties and may exercise such powers in its own name:

358 (1) To make, enter into and award contracts with any person,  
359 association, partnership or corporation for the development, design,  
360 financing, construction, improvement, maintenance, operation,  
361 furnishing, fixturing, equipping and repair of regional assets;

362 (2) To conduct financial and performance reviews and audits of  
363 regional assets;

364 (3) To conduct long-term planning necessary for the efficient and  
365 effective operation and development of regional assets;

366 (4) To make bylaws with respect to the exercise of its own powers;

367 (5) To make, enter into and award contracts of every name and nature  
368 and to execute all instruments necessary or convenient for the carrying  
369 out of its business;

370 (6) To accept grants and to enter into contracts, leases, subleases,  
371 licenses or other transactions with any federal agency, state or political  
372 subdivision, person, association, partnership or corporation;

373 (7) To procure insurance in such amounts and from such insurers as  
374 the district may determine to be necessary or desirable for its purposes;

375 (8) To cooperate with any federal or state agency or political  
376 subdivision; and

377 (9) To invest any funds not required for immediate disbursement.

378 (b) The district shall not employ personnel directly engaged in the  
379 operation of regional assets, but may enter into contracts with municipal  
380 and other public and private organizations for the operation and  
381 financing of regional assets.

382 (c) The board of directors shall appoint an advisory board comprised  
383 of representatives of business, nonprofit organizations, civic, municipal  
384 and state leaders to assist the district in determining how best to spur  
385 economic growth using regional asset funds. Each member of the  
386 advisory board shall be appointed for a term of four years, except that of  
387 the initial appointments, one-half shall serve for a term of two years and  
388 one-half shall serve for a term of three years.

389 Sec. 12. (NEW) (*Effective July 1, 2007*) (a) Each district may negotiate  
390 and, by an affirmative vote of not less than sixty per cent of the board of  
391 directors, enter into cooperation and support agreements with owners  
392 and operators of regional assets which meet the eligibility criteria set

393 forth in subsection (b) of this section.

394 (b) In order to qualify for funding from a regional assets district, in  
395 addition to any criteria established by the district, a regional asset shall  
396 serve a significant number of residents outside the municipality in which  
397 it is located, and receive funding from other public and private sources  
398 within the region. In determining whether a regional asset is eligible for  
399 funding, priority shall be given to regional assets located in a  
400 municipality which is a distressed municipality, as defined in section  
401 32-9p of the general statutes, or a targeted investment community, as  
402 defined in section 32-222 of the general statutes, or which qualifies for  
403 urban action bond funds pursuant to section 4-66c of the general statutes.

404 (c) The cooperation and support agreement executed with the owner  
405 and operator of each regional asset shall set forth a minimum level of  
406 financial support for the regional asset that shall be provided by the  
407 district in each of the first ten fiscal periods of the district, unless the  
408 regional asset ceases operations at the option of its owner and operator.  
409 The minimum level of financial support for a regional asset shall be not  
410 less than the financial support for the regional asset provided by the  
411 district during the first fiscal year of the agreement. If the minimum  
412 funding levels cannot be satisfied because of the lack of adequate  
413 resources, the minimum levels of funding for all regional assets shall be  
414 reduced by an equal fraction so as to ensure that total obligations do not  
415 exceed total revenues available to the district.

416 (d) The board shall conduct public hearings and meetings regarding  
417 proposed cooperation and support agreements and any revisions to such  
418 agreements.

419 Sec. 13. (NEW) (*Effective July 1, 2007*) (a) Each fiscal year the board  
420 shall adopt an operating and capital budget based upon all the  
421 cooperation and support agreements executed with the owners and  
422 operators of regional assets. The budget shall estimate the total revenues  
423 required for the operating and capital expenses of the district including  
424 revenues anticipated to fund such agreements.

425 (b) The board shall provide for an annual audit by an independent  
426 certified public accounting firm of the district's fiscal records and other  
427 records. A copy of such audit shall be sent to the Secretary of the Office  
428 of Policy and Management.

429 (c) The fiscal year of any district established pursuant to sections 9 to  
430 14, inclusive, of this act shall jointly be determined by the governing  
431 body of a district and the Commissioner of Revenue Services.

432 (d) From the total amount of funds allocated to a regional assets  
433 district in any fiscal year, the board of said district may deduct and retain  
434 one per cent of the funds provided or thirty thousand dollars, whichever  
435 is greater, for reasonable administrative costs.

436 Sec. 14. (NEW) (*Effective July 1, 2007*) Any municipality participating  
437 in any district may (1) make grants from current revenues to the district  
438 and to assist in defraying the costs of managing, operating, maintaining,  
439 financing and servicing the debt of regional assets or parts of regional  
440 assets, (2) enter into long-term agreements providing for payment of the  
441 costs, and (3) enter into long-term leases or subleases as lessee or  
442 sublessee of all or part of a regional asset. Obligations of the municipality  
443 to make grants or lease or sublease payments to the district shall not  
444 constitute debts of the municipality and shall be payable only to the  
445 extent that current revenues of the municipality are available. Any such  
446 municipality may issue general obligation bonds for the purpose of  
447 obtaining funds for the acquisition or improvement of regional assets or  
448 parts of regional assets.

449 Sec. 15. (*Effective from passage*) (a) There is established a Tax  
450 Expenditure Review Committee which shall be comprised of the  
451 following members: (1) The chairpersons and ranking members of the  
452 joint standing committee of the General Assembly having cognizance  
453 of matters relating to planning and development and finance, revenue  
454 and bonding, or their designees; (2) one member appointed by each of  
455 the following: The Governor, the president pro tempore of the Senate,  
456 the speaker of the House of Representatives, the majority leader of the  
457 Senate, the majority leader of the House of Representatives, the

458 minority leader of the House of Representatives and the minority  
459 leader of the Senate; and (3) the Commissioners of Revenue Services,  
460 Economic and Community Development, Transportation and the  
461 Secretary of the Office of Policy and Management, or their designees.

462 (b) The task force shall review existing state tax expenditures and  
463 spending and evaluate priorities for such expenditures and spending.  
464 Such evaluation shall rank priorities for tax expenditures and spending  
465 and shall include a recommendation on the priority of better land use  
466 and improved municipal services.

467 (c) The speaker of the House of Representatives and the president  
468 pro tempore of the Senate shall select the chairpersons of the task  
469 force, from among the members of the task force. Such chairpersons  
470 shall schedule the first meeting of the task force, which shall be held  
471 not later than sixty days after the effective date of this section.

472 (d) The administrative staff of the joint standing committee of the  
473 General Assembly having cognizance of matters relating to planning  
474 and development shall serve as administrative staff of the task force.

475 (e) Not later than January 1, 2009, the task force shall submit a  
476 report on its findings and recommendations to the joint standing  
477 committees of the General Assembly having cognizance of matters  
478 relating to planning and development and finance, revenue and  
479 bonding, in accordance with the provisions of section 11-4a of the  
480 general statutes. The task force shall terminate on the date that it  
481 submits such report or January 1, 2009, whichever is later.

482 Sec. 16. (NEW) (*Effective July 1, 2007*) The Commissioner of Revenue  
483 Services shall develop and disseminate a program to inform the public  
484 about applicability of use taxes imposed under the provisions of  
485 chapter 219 of the general statutes to purchases made on the Internet.  
486 Such program shall include, but not be limited to, information on the  
487 amount of the tax and methods of payment.



This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2007</i>	New section
Sec. 2	<i>October 1, 2007</i>	New section
Sec. 3	<i>July 1, 2007</i>	16a-31
Sec. 4	<i>July 1, 2007</i>	4-124d
Sec. 5	<i>July 1, 2007</i>	New section
Sec. 6	<i>July 1, 2007</i>	8-35a
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	New section
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section
Sec. 13	<i>July 1, 2007</i>	New section
Sec. 14	<i>July 1, 2007</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>July 1, 2007</i>	New section

**PD**            *Joint Favorable Subst. C/R*

FIN

**FIN**            *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 08 \$	FY 09 \$
Department of Economic & Community Development	GF - Cost	See Below	See Below
Policy & Mgmt., Off.	GF - Cost	300,00-500,000	None
Department of Revenue Services	GF - None	None	None
Legislative Mgmt.	GF - Cost	Minimal	Minimal

Note: GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 08 \$	FY 09 \$
Various Municipalities	None	See Below	See Below

### **Explanation**

Requiring the Department of Economic and Community Development (DECD) to develop a comprehensive statewide economic development plan by March 15, 2008 and every five years thereafter will result in additional costs to the DECD. Sec. 53 of sHB 7077, the Appropriations Act, as favorably reported by the Appropriations Committee requires that funds up to the \$500,000 appropriated to DECD in FY 07 shall not lapse and continue to be available for the department for use in FY 08 to develop a statewide economic strategic plan. These funds will be needed for additional staff (initially 3 in the first year and an additional 2 in subsequent years), contract services, and additional expenses including but not limited to software, research reports/studies, and proprietary data, equipment, and office supplies. It is anticipated that the DECD will continue to require additional funds in the amount of \$500,000 in FY 09 which are currently not included in sHB 7077.

The bill requires the Office of Policy and Management (OPM) to

review regional tax-based revenue sharing programs and submit a report by January 15, 2008, which will result in costs estimated between \$300,000 - \$500,000 to hire consultants and additional staff to meet the deadline imposed by the bill.

The bill establishes a Tax Expenditure Review Committee to review existing state tax expenditures and evaluate these expenditures and spending. The bill appoints the chairpersons and ranking members of the Planning and Development and Finance, Revenue and Bonding committees to the Tax Expenditure Review Committee. The Office of Legislative Management would incur minimal costs associated with mileage reimbursement of 48.5 cents per mile for legislators participating on the committee.

The bill requires the Department of Revenue Services (DRS) to inform the public about how to pay the use tax on sales made on the Internet. This provision is not expected to have a fiscal impact to DRS.

It is anticipated that member municipalities of regional councils of governments will establish districts to fund regional assets only to the extent there are available financial resources.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****sSB 1215*****AN ACT IMPLEMENTING A PROCESS OF STATE-WIDE RESPONSIBLE GROWTH.*****SUMMARY:**

This bill requires the Department of Economic and Community Development (DECD) commissioner to prepare a state economic development plan. It specifies how he must do so and requires the legislature to adopt or reject the plan.

The bill expands the state actions that must conform to the state Plan of Conservation and Development (Plan of C&D).

It allows a regional council of governments, with the concurrence of its member municipalities, to establish a district to help fund regional assets such as recreational, cultural, and transportation facilities and projects that serve more than one town. It gives the districts several powers, including providing financial support to regional assets. The bill allows any municipality participating in the district to (1) make grants to the district to help defray the costs of regional assets; (2) enter into long-term agreements to pay these costs; and (3) enter into long-term leases of a regional asset. The bill also expands the jurisdiction of regional councils of governments. It allows them to review and approve regionally significant developments such as shopping centers.

The bill also allows regional councils of governments to establish a process for reviewing projects of regional significance.

The bill expands the review of the conformity of regional plans of development with state plans. It also requires that the regional plans (1) include regional economic strategies; (2) identify measurable economies of scale for government functions, such as health districts, planning assistance and interoperable geographic information system

mapping of the region, compatible with the state geographic information system; and (3) include provisions for disaster response and regional purchase of interoperable equipment and communication devices for first responders.

The bill requires the Revenue Services commissioner to develop and disseminate a program to inform the public about applicability of use taxes to purchases made on the Internet. The program must include information on the amount of the tax and how to pay it.

The bill establishes a committee to review existing state tax expenditures and evaluate these expenditures and spending.

The bill requires the Office of Policy and Management (OPM) secretary to study regional tax-based revenue sharing programs.

EFFECTIVE DATE: July 1, 2007, except that the provisions on the state economic development plan and tax expenditures review are effective October 1, 2007.

## **STATE ECONOMIC DEVELOPMENT PLAN**

### ***Development and Amendment***

The bill requires the DECD commissioner to prepare the state economic development plan. He must do so in consultation with the OPM secretary, the Labor Commissioner, the Connecticut Development Authority, and Connecticut Innovations, Incorporated, regional councils of government and regional planning agencies.

In developing the plan, the commissioner must:

1. evaluate economic development in the state, including a review of population, geography, workforce development and employment, transportation access and resources, environment and any other aspects of the state's economy he considers appropriate;
2. analyze economic and community development problems and opportunities in the state by (a) reviewing other government

sponsored or supported plans and applicable state and local workforce investment strategies, and (b) identifying past, present and projected future economic development investments in the state;

3. define the state's economic development problems and establish goals and objectives to solve them;
4. provide for community and private sector participation in implementing the plan;
5. list all existing and proposed state projects and estimate the numbers of jobs created by them;
6. identify and rank vital projects, programs and activities that address the state's greatest needs or that best enhance its competitiveness;
7. identify sources of funding for past and potential future investments;
8. identify economic clusters that are growing or declining within the state; and
9. list performance measures to evaluate successful development and implementation of the plan, such as (a) the number of jobs created after plan implementation, (b) the number and types of public and private investments undertaken in the state, (c) the number of jobs retained, (d) the amount of private sector investment in the state after implementation of the plan, and (e) changes in the region's economic environment.

The commissioner must propose a plan to implement the goals of:

1. promoting economic development and opportunity,
2. fostering effective transportation access,
3. enhancing and protecting the environment,

4. maximizing the effective development and use of the workforce consistent with applicable state or local workforce investment strategy,
5. promoting the use of technology in economic development, including access to high-speed telecommunications,
6. balancing resources through sound management of physical development, and
7. obtaining and using adequate funds and other resources.

***Plan Adoption***

The bill makes the DECD commissioner responsible for supervising the process for adopting, amending, revising and implementing the plan. The commissioner must present a draft plan for preliminary review to the Planning and Development, Commerce, Finance, Revenue and Bonding, and Appropriations committees by March 15, 2008, and every five years thereafter.

The commissioner must publish the draft plan and provide it to the public. He must submit a copy of the draft plan to OPM for a determination of consistency with the state plan of C&D and to the Transportation commissioner for a determination of consistency with the state master transportation plan. The OPM secretary must post the plan on the state's web site.

Within five months after the plan's publication, the commissioner must hold public hearings, in cooperation with regional planning agencies, to solicit comments on the plan. He must consider the comments received at the hearings and make any necessary or desirable revisions to the plan. Within three months after completing the public hearings, he must submit the final plan to the legislature. The plan becomes effective when the legislature adopts it as the state economic development plan. If the legislature disapproves the plan in whole or in part, it is considered rejected and must be returned to the commissioner for appropriate action.

**CONSISTENCY WITH STATE PLAN OF C&D**

The bill requires all state agency acquisitions of equipment and facilities costing over \$100,000, rather than just public transportation equipment and facility acquisitions, to be consistent with the state Plan of C&D.

Under current law, any authorizations of state grants of more than \$100,000 for the acquisition or development of real property or for acquiring public transportation equipment or facilities must conform to the plan. The bill expands this provision to all grants, loans, and tax credits above \$100,000. It bars an agency from implementing an action (presumably in providing financial assistance) unless the OPM secretary determines that the action conforms to the plan.

Under current law, the OPM secretary must submit an advisory statement opinion to the State Bond Commission as to whether a bond allocation is consistent with the plan. The bill makes the opinion determinative, and bars the commission from approving an allocation unless the OPM secretary determines that it conforms to the plan of C&D.

Under current law, when state or federal law requires a state agency to prepare a plan, the agency must consider the Plan of C&D and submit it to the OPM secretary for an advisory statement.

**REGIONAL ASSET DISTRICTS*****Formation and Governance***

The bill allows a regional council of governments whose member towns represent 50% or more of the population in its planning region to establish a regional assets district. (It appears that the bill does not authorize the formation of such districts in areas with regional planning agencies.) The district must be formed by concurrent ordinance of the legislative body of each municipality that is a member of the regional council of governments. Two or more regional councils of governments or councils of elected officials may jointly establish a regional assets district. A municipality may withdraw from a district



by adoption of an ordinance by its legislative body. The ordinance is effective six months after its adoption.

The district must be governed by a board of directors, whose composition must be part of the concurrent ordinance authorizing the formation of the district. The board members must elect a chairperson, vice-chairperson, secretary, treasurer and other officers as they determine. A member may hold more than one office of the board at any time. Members may serve successive terms.

The board must meet at least once each fiscal quarter. A meeting must be held if requested by at least two board members. A majority of the members of the board constitute a quorum for the purpose of conducting its business. But for purposes of making decisions regarding personnel matters, contracts and capital and operating budgets, and deciding whether to enter into cooperation and support agreements with regional assets, an affirmative vote of 60% of the board members is required.

The board must appoint an advisory board comprised of representatives of business, nonprofit organizations, civic, municipal and state leaders to help the district determine how best to spur economic growth using regional asset funds. Each member of the advisory board must be appointed for a four year term, but the terms of the initial members must be staggered, with half serving two-year terms and half serving three-year terms.

### ***Powers***

The bill gives districts a wide range of powers regarding regional assets. Under the bill, regional assets are civic, science, recreational, sports, arts, transportation or cultural facilities or projects, and or libraries in multi-town systems. Regional assets do not include schools or health care facilities. Under the bill, the district's powers include:

1. making and awarding contracts for the development, design, financing, construction, improvement, maintenance, and operation of regional assets;

2. conducting financial and performance reviews and audits of these assets;
3. conducting long-term planning necessary for their efficient and effective operation and development;
4. making and awarding contracts for carrying out its business; and
5. accepting grants from federal and state agencies and private sector entities;
6. procuring such insurance as the district may determine to be necessary or desirable for its purposes.

On the other hand, districts cannot employ staff directly engaged in the operation of regional assets, but may contract with municipal and other public and private organizations for the asset's operation and financing.

### ***Cooperation and Support Agreements***

The bill allows districts to negotiate and enter into cooperation and support agreements with owners and operators of eligible regional assets. Entering into an agreement requires the vote of at least 60% of the directors.

To qualify for funding, in addition to any criteria set by the district, a regional asset must serve a significant number of residents outside the municipality where it is located, and receive funding from other public and private sources within the region. In determining whether a regional asset is eligible, the board must give priority to regional assets located in a municipality that is a distressed municipality, a targeted investment community, or that qualifies for urban action bond funds.

The cooperation and support agreement must set a minimum level of financial support for the regional asset to be provided by the district in each of the district's first ten fiscal periods, unless the regional asset ceases operations at the option of its owner and operator. The level of

financial support must be at least as much as the district provided in the first fiscal year of the agreement. If this funding level cannot be satisfied because of the lack of adequate resources, the minimum levels of funding for all regional assets must be reduced equally to ensure that the district's total obligations do not exceed its total revenues.

The board must hold public hearings and meetings regarding proposed cooperation and support agreements and any revisions to the agreements.

### ***Budget***

The bill requires the board to adopt an operating and capital budget each fiscal year based upon all the cooperation and support agreements it has executed with the owners and operators of regional assets. The district's governing body (presumably its board) and the Commissioner of Revenue Services must determine the district's fiscal year. The budget must estimate the total revenues required for the district's operating and capital expenses, including revenues anticipated to fund the agreements. The board can deduct and retain 1% of the total amount of funds allocated to a district in any fiscal year or \$30,000, whichever is more, for reasonable administrative costs. The board must provide for an annual audit by an independent certified public accounting firm of the district's fiscal records and other records. A copy of the audit must be sent to the OPM secretary.

### ***Municipal Powers***

The bill allows any municipality participating in the district to (1) make grants from current revenues to the district and help defray the costs of managing, operating, maintaining, financing, and servicing the debt of regional assets or parts of regional assets; (2) enter into long-term agreements providing for payment of the costs; and (3) enter into long-term leases or subleases of all or part of a regional asset. The municipality's obligations to make grants or lease or sublease payments to the district do not count as municipal debts and are payable only to the extent that current revenues of the municipality are available. A municipality may issue general obligation bonds to obtain

funds for the acquisition or improvement of all or part of a regional asset.

## **REGIONAL COUNCILS OF GOVERNMENTS**

The bill requires regional councils of governments to consider matters affecting the air, land, and water supply, in addition to their existing responsibilities.

The bill allows regional councils of governments to establish a process for reviewing projects of regional significance. The process must establish criteria and procedures for approving or rejecting such projects and for their review. Under the bill, a regionally significant project is a shopping center or other development generating large volumes of traffic that has an exit or entrance on or near a state highway or that substantially affects state highway traffic. Once this process is established, no regionally significant project can be implemented unless it is approved by the regional council of government for the area in which the project is located.

## **REGIONAL PLANS OF DEVELOPMENT**

### ***Consistency of State and Regional Plans***

By law, regional planning agencies (RPAs) must adopt regional development plans at least once every ten years, which must be submitted to the OPM secretary for review. Under current law, as part of this review, the OPM secretary must determine whether the regional plan is not inconsistent with the state Plan of C&D. The bill instead requires the secretary to determine whether the regional plan conforms to the state Plan of C&D and the state economic development plan. The bill eliminates a requirement that the RPA note on the record any inconsistency between the regional plan and the Plan of C&D and give the reasons for the inconsistency.

### ***Regional Economic Strategy***

The bill requires each RPA to prepare and include in this plan a comprehensive economic development strategy. In developing the strategy, the agency generally must address the same issues the DECD

commissioner must in developing the state economic plan, but on a regional, rather than state level.

The RPA must propose a plan of action to implement the goals of:

1. promoting economic development and opportunity;
2. fostering effective transportation access;
3. enhancing and protecting the environment;
4. maximizing the effective development and use of the workforce consistent with applicable state or local workforce investment strategy;
5. promoting the use of technology in economic development, including access to high-speed telecommunications;
6. balancing resources through sound management of physical development; and
7. obtaining and using adequate funds and other resources.

#### **TAX EXPENDITURE REVIEW COMMITTEE**

The bill establishes a committee to review existing state tax expenditures and evaluate these expenditures and spending. The evaluation must rank priorities for tax expenditures and spending and include a recommendation on the priority of better land use and improved municipal services.

The committee consists of (1) the chairpersons and ranking members of the Planning and Development and Finance, Revenue and Bonding committees, or their designees; (2) one member each appointed by the governor, the Senate president pro tempore, and the majority and minority leaders of the Senate and House; and (3) the OPM secretary and the Revenue Services, Economic and Community Development, and Transportation commissioners, or their designees.

The speaker and the president pro tempore must select the

committee's chairpersons from among its members. The chairpersons must schedule the committee's first meeting of the task force, which must be held no more than later than 60 days after the bill's passage. The administrative staff of the Planning and Development Committee must serve as administrative staff to the committee.

By January 1, 2009, the committee must report its findings and recommendations to the Planning and Development and Finance, Revenue and Bonding committees. The committee terminates when it submits its report or January 1, 2009, whichever is later.

### **REVENUE SHARING PROGRAM**

The bill requires the OPM secretary to review regional tax-based revenue sharing programs. The review must include a study of any available models of such programs, the adaptations that may be needed for using these programs in this state, the effect on property taxes and on a town's grand list, and other possible effects on municipal and regional finances.

By January 15, 2008, the secretary must report the results of the review to the Planning and Development and Finance, Revenue and Bonding committees with recommendations relating to establishing such programs in this state.

### **COMMITTEE ACTION**

Planning and Development Committee

Joint Favorable Substitute Change of Reference  
Yea 13 Nay 5 (03/23/2007)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute  
Yea 36 Nay 17 (04/17/2007)